GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department - Proposal of M/s. Bharat Electronics Limited for establishment of a defense systems integration complex at Palasamudram (V), Gorantla (M), & Thungodu (V), Somandepalli (M) in Sri Sathya Sai District in 914 acres of lands allotted during 2016-17, with a proposed investment of INR 1,400 Crore and employment generation potential for 800 persons, to be completed by 2029, with the provision of additional investment of 1,100 Crore - Extension of Tailor-made incentives and other facilitations - Orders - Issued.

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INDUSTRIES & COMMERCE (P&I) DEPARTMENT '

G.O.MS.No. 83 Dated: 23-05-2025

Read the following:

1. Proposal of M/s. Bharat Electronics Limited dt:01.04.2025.
2. Minutes of the 9th State Investment Promotion Committee meeting held on 12.05.2025.
3. Minutes of the 6th State Investment Promotion Board meeting held on 15.05.2025.

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ORDER:

In the reference 1st read above, M/s. Bharat Electronics Limited (BEL) have proposed for establishment of a defense systems integration complex at Palasamudram (V), Gorantla (M), & Thungodu (V), Somandepalli (M) in Sri Sathya Sai District, with a proposed investment of INR 1,400 Crore and employment generation potential for 800 persons to be completed by 2029. It has been also informed that there is an in-principle approval of additional 1,100 Cr investment in the same premises and requested for certain tailor-made incentives, under the AP Industrial Development Policy 2024-29, duly providing exemption for the PSUs clause.

2. In this regard, it is to inform that about 914 acres of lands was allotted to the BEL in 2016-17 and CFE was also granted by APPCB in 2020 and Extension of Time was granted, with the EoT fees waiver in 2022. The present proposal of the BEL is to add additional line of activities such as 'Military Radar, Missile Systems, Seekers, Unmanned Systems, EVMs, VVPAT & other defence related products & services", besides the original approved line of activity '"Radar test Bed Facility & Missile manufacturing unit"' under the Defence Systems Integration Complex (DSIC); 'Extension of Time', with fee waiver; Exemption from the minimum condition of utilizing at least 50% of the area for executing the sale deed, as more than 449 acres out of 914 acres are not fit for construction activities; In- Principle approval

(p.t.o.)

for extension of similar benefit to additional investment of INR 1,100 Crore made above INR 1,400 Cr in the given project. They have also requested for facilitation for provision of lands in the vicinity of the DSIC Palasamudram site for development of township and habitable eco system.

3. Accordingly, the proposal from Director of Industries, A.P was placed before the State Investment Promotion Board (SIPB) meeting held on 15.05.2025 with recommendations of State Investment Promotion Committee (SIPC) in its meeting held on 12.05.2025. The SIPB after detailed discussion, has recommended the proposal of M/s. Bharat Electronics Limited for establishment of a defense systems integration complex at Palasamudram (V), Gorantla (M), &Thungodu (V), Somandepalli (M) in Sri Sathya Sai District, with an investment of INR 1,400 Crore and employment generation potential for 800 persons.

4. Government, after careful consideration of the decision of the State Investment Promotion Board and considering the strategic importance of the project and its impact on industrial growth of the region, hereby extend certain special package of incentives to M/s. Bharat Electronics Limited for establishment of a defense systems integration complex at Palasamudram (V), Gorantla (M), & Thungodu (V), Somandepalli (M) in Sri Sathya Sai District.

a. Request for additional line of activities such as 'Military Radar, Missile Systems, Seekers, Unmanned Systems, EVMs, VVPAT & other defence related products & services", besides the original approved line of activity "'Radar test Bed Facility & Missile manufacturing unit"' under the Defence Systems Integration Complex (DSIC).
b. Grant of tailor-made incentives up to 45% capital subsidy on total Fixed Capital Investment of INR 1,400 Cr contingent upon additional investment of INR 1,100 Cr in the proposed project, as per 'Andhra Pradesh Industrial Development Policy (4.0) 2024-29' to be disbursed over 15 years. Cumulative investment of INR 2,500 Cr to be completed by March-2029.
c. 'Extension of Time', with fee waiver, for project completion by March-2029.
d. Approval for exemption from the minimum condition of utilizing at least 50% of the area for executing the sale deed. Additionally, the sale deed for the entire 913.99 acres will be executed upon achieving the committed investment of INR 2,500 crore and the creation of 800 jobs.
e. In-Principle approval for extension of similar benefit of 45% subsidy to additional investment of INR 1,100 Crore made above INR 1,400 Cr in the given project, provided the additional investment is made within the policy period.
f. Facilitation for Construction of service road from NH-44 Highway to BEL- DSIC Palasamudram Factory and expediting the Building Plan approval through IALA arrangement

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5. The Special Chief Secretary/Principal Secretary/Secretary of the concerned departments such as Power Department, Water Resources Department, Industry and Commerce Department, Skill Development Department, Revenue (Land, Registration and Stamps) Department, Finance Department and other departments concerned are requested to take further necessary action accordingly, duly instructing their HODs and PSUs under them for expeditious grounding and implementation of the project.

6. The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited, Mangalagiri and the Director of Industries, Andhra Pradesh shall take further necessary action accordingly in coordination with the line Departments.

7. As envisaged under the Andhra Pradesh Industrial Development Policy (4.0) 2024-29, the Director of Industries shall assign the handholding for facilitations of all the inputs as required for expeditious grounding and implementation of this project to a senior level officer and should try to ensure that the project is implemented as per the expected timelines, duly facilitating the required approvals and clearances under the Single Desk Portal 2.0 and duly implementing the project as per the intended spirit of the Speed of Doing Business.

8. The Director of Industries, A.P., Mangalagiri should ensure that the PMU with the Department monitors the progress of the project, duly bringing the issues that are to be resolved, to the respective line departments, from time to time and resolve the issues and intimate the status of the progress of the project to the Government from time to time and bring the issues for resolution at the government end, if any, for smooth execution of the project.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N.YUVARAJ
SECRETARY TO GOVERNMENT

To
The Vice Chairman & Managing Director, APIIC Ltd., Mangalagiri.
The Director of Industries, A.P., Mangalagiri.
The M/s. Bharat Electronics Limited.
The Special CS/Principal Secretary/Secretary of the concerned department viz,
The Revenue (Land, Registration and Stamps) Department,
The Finance Department,
The PR&RD Department,
The MA&UD Department,
The EFS&T Department,

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The Energy Department,
The Water Resource Department,
The Transport, Roads and Buildings Department,
The Skill Development Department,
The Infrastructure and Investment Department,
The Industry and Commerce (Mines-III) Department
The Collector & District Magistrate, Puttaparthi, Sathya Sai District.

Copy to:

The Finance (FMU-I&I, Energy and I&C) Department.
The Revenue (CT) Department.
The Law (H) Department
The Accountant General, Andhra Pradesh.
The Chief Commissioner of /State Taxes.
The P.S. to Secretary to Chief Minister.
The P.S. to Hon'ble Minister (Ind. &Comm. Food Processing).
The P.S. to Hon'ble Union Defence Minister, Government of India.
The P.S. to Chief Secretary to Government of Andhra Pradesh.
The P.S. to Secretary to Government & CIP, Industries& Commerce Dept.,
The G.A. (Cabinet.I) Department.
SC/SF. (Comp.No.2831776)

//FORWARDED::BY ORDER//

SECTION OFFICER